



MEMO

TO: House Energy and Technology Committee Members
FROM: Michigan Retailers Association
SUBJECT: HB 5952
DATE: November 8, 2012

Michigan Retailers Association is the unified voice of Michigan's retail industry and represents more than 12,000 stores across the state.

MRA supports HB 5952, which changes the process for remittance of the Emergency 911 fees from retailers to the Department of Treasury. The change in language is simply a technical change. Retailers will still remit the fees collected monthly to the Department of Treasury.

By removing the direct tie to the General Sales Tax Act (1933 PA 167, MCL 205.51 to 205.78) the collection of the fee at the point of sale will be consistent with how it is being collected currently from telecommunications companies. Telecommunications companies who collect Emergency 911 surcharges from customers are not subject to the Revenue Act (1941 PA 122). If the surcharge were subject to the Revenue Act then the Department of Treasury would be required to promulgate rules and treat the surcharge as a "tax." As a "tax" all applicable collection and audit requirements would have to be followed.

This is a simple change that helps the Department of Treasury in its collection of the Emergency 911 surcharge from retailers who collect it at the point-of-sale. Michigan Retailers Association supports this technical change.

If you have any questions please do not hesitate to contact me at 517-372-5656.

Thank you,

A handwritten signature in blue ink, appearing to read 'William J. Hallan'.

William J. Hallan
Vice President Government Affairs and General Counsel
Michigan Retailers Association